

21 MAY 1977

MEMORANDUM FOR: Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Recommended Notes From the Director

1. Action Requested: Your approval to publish the four attached notes as "Notes From the Director No. 2." STATINTL

2. Background: In consultation with [REDACTED] we have developed the attached four notes for publication. Given the fact that the original "Notes From the Director" was quoted in the press, we have deliberately written these notes on the assumption that they too will be subject to being quoted in the newspaper. As a result, they may appear more bland than would otherwise be desirable, but we see no way in which this can be avoided.

3. Recommendation: It is recommended that you approve the publication of these four items as "Notes from the Director No. 2." STATINTL

[REDACTED]

Attachments: a/s

CENTRAL INTELLIGENCE AGENCY

OFFICE OF THE DIRECTOR

APPROVED: [Signature]
Director of Central

DISAPPROVED: _____
Director of Central

DATE: 21 MAY 1977

11 May 77

Re Mr. Blake's comments to the effect these "Notes" appear "bland", I for one find them not so at all - in fact, they are rather stimulating, particularly as they are unclassified. With the exception of the second note (straight info on the IC Bldg fire) each contains definite indications of forward movement in the last paragraphs. It is possible the DCI can improve them, but it seems to me they strike very good notes.

STATINTL

AI/DDA [REDACTED] YDC (11 May 1977)

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Original - Addressee

1 - DDCI w/atts

1 - ER w/atts

1 - DDA Subject w/atts.

1 - DDA Chrono w/o atts.

1 - JFB Chrono

1 - HGB Chrono

SMALL GROUP MEETINGS

As part of my efforts to learn more about our Agency and to identify matters which its employees consider important and meriting my personal attention, I have met with several small groups of representative employees both here at Headquarters and at our major training site. I want to do this to an even greater degree in the future, and I have initiated action throughout the Agency to organize such groups and to arrange the necessary scheduling.

It is my desire that the matters discussed in these meetings with me be determined by the members of the group involved and, to this end, I have asked that each group meet ~~at least once prior to meeting with me.~~ ^{several times prior} At this ~~initial~~ ^{initial} meeting~~s~~, the members can collectively identify those items which they believe are most worthy of discussion. ~~It should be emphasized that what it is hoped will result from these meetings are beneficial ideas for constructive changes which can possibly improve the Agency or its product.~~ ^{is} I do not believe that any of us are interested in change for the sake of change alone or in hearing endless complaints for which no constructive solutions are offered. I am hopeful that future meetings will be as informative and constructive as those I have already held, and that we will be able to develop some sound improvements as a result.

FIRE AT INTELLIGENCE COMMUNITY HEADQUARTERS BUILDING

As was reported in the press, a fire broke out in the recently occupied Intelligence Community Headquarters Building on Saturday morning, 7 May. The fire started within a communications equipment cabinet in the unattended communications equipment room. The location and the nature of the fire presented unusual problems both because of the fact that the fire was in a secured area and also because it involved electrical wiring which, as it burned, gave off highly dangerous toxic fumes. It is to the distinct credit of the D.C. Fire Department and the occupants of the building that the fire was quickly extinguished and was contained within ~~the~~ ^{one} equipment cabinet. Nonetheless, several persons, including a communicator, Federal Protective Service officers and the D.C. fire fighters, were taken to local hospitals for treatment of inhalation of the fumes from the fire. Fortunately, no serious injuries resulted, and all of these individuals were released from the hospital the same day.

I am pleased not only with the performance of the Intelligence Community people during the fire but also by the highly professional and cooperative efforts of GSA and ^{the} ~~the~~ ³ ~~Offices~~ of Logistics, Security and Communications in quickly restoring the affected office areas for normal


utilization. Through these efforts, the areas affected by smoke were cleaned, the damaged equipment was removed and the secure telephone service linking this building with other parts of the community was restored so that the building was ready for use by the opening of business on the following Monday.

THE MOORE TRIAL

former CIA employee

On 5 May 1977, a Federal jury found Edwin G. Moore II guilty of attempting to deliver information affecting the national security to the Soviet Union after he threw a package containing several Agency documents over the fence of the Soviet residence in Washington, D.C. Moore was also found guilty of four other charges relating to the unauthorized retention and theft of classified documents. Moore was arrested by the FBI on 22 December 1976 after he picked up what he believed to be the initial \$3,000 he had demanded from the Soviets in return for the package of documents. He had instructed the Soviets to deliver a second payment of \$197,000 later that same day in exchange for additional documents. The rapid arrest and successful prosecution were the result of extremely close cooperation between the Agency, the FBI and the Department of Justice and demonstrated our commitment to fully prosecute any instances where an attempt is made, successful or not, to disclose classified Agency information to unauthorized recipients.

STATINTL



STATINTL



Although the prosecution involved a public trial, the disclosure of names of covert Agency employees or other information which would damage sensitive intelligence sources and methods was avoided.

The Moore case, and particularly the background on Mr. Moore's CIA career, have already been the objects of vigorous study and analysis within the Agency. They will continue to be so. From what is known so far, it is probable that the case will lead in the future to some significant modifications in personnel processing and in evaluation systems.

THE BOYCE TRIAL

in employee of TRW Systems in the contract to the Agency

After less than four hours deliberation, a U.S. District Court jury returned a guilty verdict against Christopher John Boyce on 28 April 1977 on all eight counts of the indictment including violation of U.S. espionage statutes. The counts included conspiracy to transmit defense information to a foreign power, disclosure of classified information (Communications Intelligence), theft of U.S. Government property, and failure to register as an agent of a foreign power. Boyce, a former employee of an Agency contractor, TRW, Inc., was first employed by that company in July 1974 and was authorized access to very sensitive U.S. Government and Agency classified information in November 1974. Boyce remained employed by TRW until 17 December 1976 when he voluntarily resigned ~~to return to college.~~

Although the conviction of Boyce was not achieved without some damage to Agency sources and methods, this case clearly demonstrates our determination to protect sensitive intelligence information from unauthorized disclosure by aggressively seeking criminal prosecution whenever such action is warranted. As with the Moore case, the circumstances surrounding the Boyce case has and will continue to be subjected to thorough analysis and study by the Agency. Analysis to date has revealed several areas in relation to the Agency's industrial contracts and security practices which can and will be improved upon.



Notes from the Director

No. 1

3 May 1977

1. I have noted that there are few established systems of personalized communications between senior management and all of the employees of our Agency. Accordingly, I am instituting this series of Director's notes which will be posted on the bulletin boards, distributed to offices, and sent by message to posts overseas from time to time when there are items which I consider to be of interest to all of us in the Central Intelligence Agency.

2. DIRECTOR'S NOTES:

a. Open Budget:

Last week the Senate Select Committee on Intelligence held testimony on whether or not to declassify the National Foreign Intelligence Program budget. It was my position that publishing a single budget figure could be an important part of our program of greater openness with the American public and need not endanger our security or activities. I advised the Committee, however, that we must hold the line rigidly at the single figure only. It is now up to the Congress to decide whether or not to release an open budget figure.

b. Energy Reports:

Over the last two weeks we have released to the public unclassified versions of two outstanding studies completed by

our economists. These have made a very useful contribution to the critical and public discussions that are going on about our energy prospects. Although the Agency has been criticized for appearing to have released these publications for the purpose of supporting the President's energy program, this was in fact not the case. The studies had been in progress for over a year and their results were not known to the President until well after his program was under development. The information contained in them was of such significance that it would have been a disservice to our country not to have made it available. It is my intention to continue to provide unclassified information to the public whenever it will be of value. They pay for our services and deserve to benefit directly from them as much as possible within our security limitations.

STATINTL c. [REDACTED] Letter:


STATINTL A former employee, [REDACTED] on April 10th wrote an open letter to me which was published in The Washington Post. The letter contains several allegations of improper conduct on the part of the Agency, as well as management deficiencies. STATINTL Although [REDACTED] declined my personal request to elaborate and be more specific on these charges, I intend to investigate them diligently. It would be most helpful if employees with complaints, suggestions, or observations to report would STATINTL follow the procedures of [REDACTED] in forwarding such information either to the Inspector General, the DDCI, or myself--or to the Intelligence Oversight Board directly and privately. We all want to improve our Agency in any way that we can, and suggestions

or constructive criticisms or reports of apparent improprieties or illegalities are encouraged.

d. Director's Invitation:

In my talk to employees on 28 March, I invited direct written and private communications from any employee during the following 60 days. The question has come up as to whether the cutoff could be extended. It is extended indefinitely and I would welcome communications of a constructive nature at any time.

STATINTL



STANSFIELD TURNER
Admiral, U.S. Navy
DIRECTOR

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Television Filming

on Beginning May 23rd we *begin* will see some television filming here in the Headquarters building. The occasion will be a segment of "60 Minutes," for CBS. I realize this is the first time this has happened, and that it will be somewhat disruptive to many of you while the filming is going on. But I want to assure you that the filming *is* will take place under closely controlled conditions, with due respect for the security problems involved.

I consider this an important precedent. I believe *that* the American people, with due recognition for the need to keep secrets in the intelligence community, have an interest and a right to know something of intelligence in government -- the environment in which we work, the kinds of things we do, and our *important* contribution to the government and its processes. The "60 Minutes" program has a large viewing audience -- some 40 million people. My hope is that this will give us an opportunity to get some of our message across: that intelligence is vital to our country's security, *including* ~~and that the~~ ~~people have nothing to fear from it.~~

an appropriate measure of secrecy, & that those of us in the intelligence business are just as dedicated to the principles & ideals of our democracy as any American.

STANSFIELD TURNER

President Carter on Intelligence

2

Last month at the White House, I briefed the Cabinet and senior staff members of the White House and their spouses on the Central Intelligence Agency and the Intelligence Community. The President took that opportunity to make some extemporaneous comments about intelligence and the Agency which I would like to share with you. Following are excerpts from the remarks by President Carter:

* * * *

"First of all I would like to thank Stan for giving us this good briefing and thank all of you for coming. I, like many of you, before I became President and became involved in this Administration, had been deeply concerned about the reputation of the CIA and the entire Intelligence Community, and also was concerned about the professionalism of them. But I can tell you without hesitation that since I have been in the White House and been responsible for our nation's security above everyone else, I have been highly impressed by the competence and objectivity and the ability of the Intelligence Community to give me accurate and unbiased analyses that were important to me and to other members of the Cabinet.

"I can also tell you that I have looked at all the analyses made by the Intelligence Oversight Board for the last 12 months after the revelations were made by the Congressional investigations and I think I'm completely accurate in saying there are absolutely

no illegalities being perpetrated by the CIA, there are no improprieties being perpetrated by the CIA.

* * * *

"I think if all Americans knew what I know about the present function of the Intelligence Community, there would be an alleviation of concern and it's nothing at all to be ashamed of."

* * * *

"It's absolutely crucial that we maintain a capability for covert action...In case we ever should find ourselves in a state of conflict with another nation, we've got to have an instant ability to address that question."

* * * *

"I have a much surer sense of making right decisions about our own national security because of my growing trust in the capability of the CIA and the other intelligence counsels."

* * * *

"I think that all of you can rest assured that except in the rare occasions there won't be any illegalities, and even those will be instantly punished when detected. There's not anything going on that if you knew about it you'd be ashamed of."

* * * *

The President also spoke of the importance of biographical data that has been supplied to him by the Agency, the importance of our ability to monitor the implementation of SALT, and our reporting on terrorism.



DRAFT NOTE FOR THE DIRECTOR'S NOTES

24 MAY 1977

Intelligence Community Reorganization

There have been articles in the newspapers recently concerning the intent of the Senate Select Committee on Intelligence to propose some important organizational changes in the Intelligence Community. As many of you know, there is also a study going on concurrently in the Executive Branch of the Government to the same end. I would like to assure all members of the Agency of two things:

1. No final decisions have been made by either the President or the Congress.
2. In my view, the role of the CIA will be just as essential to our intelligence operations after any reorganization as before.

There are several objectives in the reorganization proposals. One is to ensure that the authority of the Director of Central Intelligence is commensurate with his responsibilities. Another is to codify the basic rules within which the CIA and the other intelligence agencies must operate. I look on both of these as steps which will strengthen both the Agency and the national intelligence effort.

The entire review process is indicative of the increased attention which both the Executive and Legislative Branches of our Government are giving to intelligence operations today. In my view, this attention stemmed in part from the numerous investigations of the past several years, but it is now the result of an enhanced recognition of the importance of intelligence to our country, which was a side benefit of those investigations. I believe that we can only be strengthened by this increased attention and interest.

DDA Registry
File OTM 1-2

77-3089
Executive Registry
77-1522

1 JUN 1977

MEMORANDUM FOR: DDA
FROM: Director of Central Intelligence
SUBJECT: Director's Notes

1. What about a short blurb in the next Director's Notes on grievance procedures. I get the impression there is a feeling that people don't understand these.

2. I think in a few weeks we should also be able to put out something about the prospective budget cuts as soon as we have the overall range in mind.



STATINTL

for STANSFIELD TORNER

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1	EO/ODA		
2		6/2/77	<i>[Signature]</i>
3			
4	ADDA	3 JUN 1977	<i>Noted by MDM</i>
5			
6	DDA	6 JUN 1977	<i>[Signature]</i>
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE

Remarks: *Registry*
Mike:

[Redacted] has original
 FOR ACTION.

[Signature]

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.

DATE

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CONFIDENTIAL SECRET

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